

33rd Crisis-era Message to Contractors from: Dr Tom Schleifer
THANKSGIVING BREAK--Will there be a New Normal?

The construction industry will come back. While there has been considerable disagreement between my forecast for the duration of the construction market slowdown and many of my readers, we all agree that better days are ahead. The question I am addressing now is will we go back to business-as-usual or will some things be a little different (or a lot)? There are already articles predicting lasting social changes such as: air travel will take a while to comeback, business air travel will be permanently reduced, and numerous elements of social and business life will alter. Is there any reason to believe that the construction industry will remain unchanged?

Well before the pandemic crisis, technology was remaking how we do so many things in the construction business that most of us should be accustomed to unanticipated changes. However, we are an industry that has been accused of resisting rather than embracing change. And not that long ago were described by an owner's group as an industry having to be forced to implement change. What the potential changes may be after the market rebound will be addressed in subsequent messages. The purpose of this brief "Thanksgiving Break" message is to introduce the subject to those who may need some time to adjust to unwanted, and some will say unwarranted, changes.

Changes come in all sizes from minor to significant and, occasionally, substantial. There is at least one positive thing. Changes that stick will be for the better. The reason that can be predicted before the changes are known is that changes that are not for the better almost always get weeded out before they fully develop or not very long after they prove to be ineffective. The reason I bring this topic up is to suggest that there is little reason to resist change. Jim Collins tells us in his book Good to Great : "*Good is the enemy of great*", and he goes on to say, "*Few people attain great lives, in large part because it is just so easy to settle for a good life.*" If you substitute the word "business" for "life" you get the full meaning of what Collins goes on to explain. To get to great from good there has to be change and, conversely, good without change eventually diminishes.

In past construction market cycles the industry came back relatively unchanged so the research model suggests the same will be repeated at the end of this cycle. However, the cause of the US economic downturn that resulted in this construction market decline was unique and the interpretation of the construction market cycle model is impacted. If the experts predicting practical and cultural changes in the US resulting from the pandemic are correct, those changes need to be superimposed onto the model and their impact evaluated. My initial appraisal suggests there will be changes in the construction industry. The next step will be an assessment of the potential changes and the likelihood that they will be temporary or permanent. Please assist with this research by sending me any possible industry changes you think might develop.

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